

Ex.-PSC-Hubert-1
Docket 9400-YO-100
Witness: Lois Hubert
January 14, 2015
Cover Page

Wisconsin Energy Corporation/Integrus Energy Group

Exhibit 1 Schedules

Description	Schedule
Acquisition Conditions	1
Acquisition News Release	2
Testimony of Scott Lauber ICC Docket No. 14-0496	3
Comments of the Office of The Attorney General-Antitrust and Utilities Division Docket No. G011/PA-14-664	4
Membership Interest in ATCLLC	5

Prepared by: Lois Hubert
Public Utility Financial Analyst, Gas and Energy Division
Public Service Commission of Wisconsin

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
Accounting	Transaction Cost Definition	Approximate acquisition-related transaction costs shall include: \$22 million to investment bankers; \$14.4 million legal; \$1.5 million legal – debt offering; \$1 million regulatory affairs; \$1 million transfer agent fees; \$1 million printers fees; \$750,000 SEC Registration; \$650,000 rating agency fees; \$350,000 tax and other financial consulting work; \$250,000 audit fees for S-4 filing; \$100,000 communications; \$47.6 million in pure change-in-control payments; a portion of \$140 million “cash-out” payments that vests at closing; and \$1.9 million to \$5.6 million annually for six years of directors and officers tail insurance or equivalent policy.	Direct-PSC-Bartels
	Transactions Cost Recovery	The Applicant shall expense the cost to achieve the acquisition as incurred. WEPCO, WG, and WPSC may not recover any acquisition-related transaction costs from the Wisconsin retail jurisdictions.	Application page 4 Direct–PSC-Bartels
	Proof of Exclusion	After closing, and in any rate proceeding decided within six years after the Transaction	Direct-PSC-Bartels

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		closing the Applicant shall provide proof that no transaction costs are included in historical expenses of the operating utility or in the determination of revenue requirement.	
	Accounting for Transaction Costs	All transaction costs incurred by or allocated to WEPCO, WG, and WPSC shall be specifically identified and allocated to non-utility accounts.	Direct-PSC-Bartels
	Transaction Costs and Fuel Rules	Transaction costs should not be considered in determining excess revenues under Wis. Admin. Code § PSC 116.07(6) or any other Commission determination in which earnings is a consideration.	Direct-PSC-Bartels
	Acquisition Premium	WEC Energy may not recover any acquisition premium from the utility ratepayers. No acquisition premium even though not recoverable in rates, may be allocated to WEPCO, WG, or WPSC account.	Application page 4
	Purchase Accounting/Push-down Accounting	Push-down accounting related to the Reorganization shall not be imposed upon or utilized by the Wisconsin Operating Companies for any purpose, including for financial and regulatory accounting, and ratemaking.	Direct-PSC-Larson
Synergy Savings	Allocation of Synergy Savings	The Commission shall have approval authority over all allocation methodology and factors. If the allocation methodology and factors ultimately approved by the Commission differ	Direct-PSC-Bartels

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference																		
		from those approved in other jurisdictions the holding company should absorb any cost differentials.																			
	Treatment of Deferrals	Direct WEPCO to write off all of its “old” transmission deferral of \$114 million, which is approximately \$68 million net of tax.	Direct-PSC-Kettle Direct-PSC-Larson																		
	Bill Credits ¹	<div>WG, WEGO, VA Steam and MC Steam shall, as a condition of Commission approval of the acquisition, provide bill credits to all ratepayers either at the time of or shortly after the acquisition is consummated in the following amounts:</div> <table><tr><td></td><td colspan="2">\$000s</td></tr><tr><td></td><td>Low end of range</td><td>High end of range</td></tr><tr><td>Wisconsin Gas</td><td>\$2,095</td><td>\$4,189</td></tr><tr><td>WEGO</td><td>\$1,251</td><td>\$2,502</td></tr><tr><td>VA Steam</td><td>\$339</td><td>\$679</td></tr><tr><td>MC Steam</td><td>\$251</td><td>\$502</td></tr></table>		\$000s			Low end of range	High end of range	Wisconsin Gas	\$2,095	\$4,189	WEGO	\$1,251	\$2,502	VA Steam	\$339	\$679	MC Steam	\$251	\$502	Direct-PSC-Larson Direct-PSC-O’Donnell
	\$000s																				
	Low end of range	High end of range																			
Wisconsin Gas	\$2,095	\$4,189																			
WEGO	\$1,251	\$2,502																			
VA Steam	\$339	\$679																			
MC Steam	\$251	\$502																			
	WPSC 2016 test year reopener	Synergy savings should be passed on to WPSC electric and gas customers through a limited rate case reopener for the 2016 test year. Items to be	Direct-PSC-Larson																		

¹ If the Commission decides, instead of requiring rate credits, to freeze rates for a period of time, Mr. Larson testifies that for any new deferrals during the rate freeze period, recovery of such deferred amounts should only be allowed to the extent the utility is earning less than its authorized ROE, measured on a regulatory basis.

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		<p>included in such limited reopener will be limited to:</p> <ol style="list-style-type: none"> 1. ReACT; 2. Monitored fuel costs; 3. System Support Resources (SSR) payments; 4. Major power plant outage expenses; and 5. Synergy savings of between \$4.4 and \$8.8 million for electric and between \$1.2 and \$2.4 million for natural gas. 	
	Transition Costs – Alternate	For severance and/or early termination costs the Applicant shall provide detailed information in any rate proceeding on each instance of severance and/or early termination – the position, the reasoning, the costs and savings, etc., in sufficient detail for the Commission to make a determination on whether the cost is a transaction cost – unrecoverable or a transition cost.	Direct-PSC-Bartels
	Transition Cost Recovery - Alternate	<p>WEPCO, WG, and WPSC can recover acquisition-related transition costs from the Wisconsin retail jurisdiction, only if and to the extent such costs are:</p> <ol style="list-style-type: none"> (a) incurred by or allocated to each of the utilities (each utilities portion or share of acquisition-related transition costs), (b) associated with financial benefits that each utility's ratepayers will receive as a result of the acquisition, and 	Direct-PSC-Bartels

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		(c) the acquisition-related savings realized by each utility's ratepayers are equal to or greater than its acquisition-related transition costs.	
	Tracking Transition Costs - Alternate	WEPCO, WG and WPSC shall be required to identify and track all acquisition-related transition costs incurred by the utility and allocated to in in a manner that is readily reviewable and auditable by the Commission at a location within Wisconsin.	Direct-PSC-Bartels
	Cost Analysis - Alternate	The utilities (WEPCO, WG and WPSC), in any proceeding in which recovery, analysis and/or justification of acquisition savings is at issue, shall provide a detailed analysis of acquisition costs and savings for Commission review and approval. Such analysis would include: (a) an accounting of acquisition costs incurred by the combined company broken down by function to the extent possible, (b) a calculation of acquisition savings accomplished by the combined company broken down by function to the extent possible, and (c) where costs exceed savings for a particular function, a demonstration that the costs are reasonable and prudent.	Direct-PSC-Bartels
Operational	Location of Corporate/Holding Company Headquarters	1. The headquarters of the post-merger WEC Energy Group and associated jobs will be located in Wisconsin and critical decisions	Application page 14 Direct-WEC-Reed-7 and 8 Direct-WEC-Schott-7 Direct-PSC-Nieto

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		affecting energy policy in Wisconsin will continue to be made in Wisconsin. Or 2. WEC Energy headquarters shall remain in Wisconsin, and any future plans to move the locations of the headquarters shall be brought before the Commission for approval.	
	Location of Operational Headquarters	1. WEC Energy shall maintain operational headquarters in the cities of Milwaukee and Green Bay. Or 2. Any future plans to move the locations of the operational headquarters shall be brought before the Commission for approval.	Direct-WEC-Reed-7 Direct-PSC-Nieto
	Merger integration plans	WEC shall submit to the Commission, upon development and prior to implementation its merger integration plans.	Plans referenced on Direct-WEC-Reed-39
	Customer service call center	1. WEC Energy shall notify the Commission if the number of permanent customer service employees at any of the call centers decreases by ten percent or more. Or 2a. WEC Energy shall submit to the Commission for approval any plans to combine any customer service call center operations, before implementing the plans. Or	Direct-PSC-Nieto

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		2b. WEC shall notify the Commission of any plans to combine any customer service call center operations, 60 days before beginning to implement the plans. Such notice should include a cost/benefit analysis of the proposal.	
	Average Speed of Answer (ASA) – Customer Service Call Center	WPSC shall maintain sufficient employees and equipment to achieve an average speed of answer of not more than 90 seconds, as required by Wis. Admin. Code § PSC 113.0503. The utility shall develop and submit to the Commission a plan for how WPSC would ensure that this requirement will be achieved.	Direct-PSC-Nieto
	Gas Emergency Response Time	WPSC shall cooperate with Commission Staff on a study of WPSC’s gas emergency response process. Within six months of the closing of the transaction, this joint study group will report back to the Commission. WPSC has indicated that it would accept this condition.	Direct-PSC-Nieto
	Implementation of the ICE Project	WEC Energy shall notify the Commission if it develops any plans to implement part, or all, of the software developed through the ICE project, or some, or all, of the customer service policy changes proposed by WPSC, within 30 days of the plan being developed, or at least 30 days prior to any customer service policy changes.	Direct-PSC-Nieto
	Low Income Programs	1.a WEC shall submit to the Commission for approval any plans to transition any Low	Direct-PSC-Nieto

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		<p>Income Programs (LIPs) to a different operating entity or to combine any of the LIPs' operations or offerings, before implementing the plans.</p> <p>Or</p> <p>1b. WEC shall notify the Commission of any plans to transition any Low Income Programs (LIPs) to a different operating entity or to combine any of the LIPs' operations or offerings, 60 days before implementing the plans. Such notice should include a cost/benefit analysis of the proposal.</p> <p>Or</p> <p>2. Commission staff shall review the programs in future rate cases, to ensure that the programs continue to produce optimal benefits.</p>	
	Charitable Contributions	<p>1. The current levels of discretionary charitable contributions will be maintained for three years following the closing of the Transaction.</p> <p>Or</p> <p>2. No condition involving charitable contributions will be required.</p>	Direct-PSC-Nieto
	Labor Retentions – Represented employees	For 2 years from the date of closing of the Transaction, any reduction in headcount among employees in Wisconsin who are represented by a labor union will occur only as the result of voluntary attrition or retirement.	Application page 5 Direct-PSC-Hubert
ATC	Participation on ATCMI Board	WEC Energy and its affiliates, include those servicing on the ATCMI board, may only	Direct-PSC-Hubert

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		nominate one candidate for the board of ATCMI and may not hold more than one board position.	
	Ownership of Preferred Stock or another class of ATCMI or ATCLLC voting securities	WEC Energy and its affiliates may not obtain additional voting interest in ATCMI and/or ATCLLC thought the acquisition of ATCMI or ATCLLC securities, including, but not limited to ATCMI preferred stock.	Direct-PSC-Hubert
	Successor purchaser limitations	WEC Energy and its affiliates shall not sell or otherwise transfer its ownership interest in ATC (ATCMI and/or ATCLLC) except on terms which transfers the board position, board nomination, and voting securities ownership restrictions to the subsequent purchaser.	Direct-PSC-Hubert
	Voting of ATC shareholder interests	WEC Energy voting, on all issues requiring ATCMI shareholder or ATCLLC member votes, shall be limited to the 34 percent share presently held by Integrys Energy.	Direct-PSC-Hubert
	Treatment of Ownership Interest in ATC	1. WEC Energy holdings in ATC shall not be restricted by an investment cap. Or 2. WEC Energy shall be restricted from participating in any capital calls until its ownership interest has been reduced to 34 percent. In the event that WEC Energy' ownership had not declined to 34 percent by the fifth anniversary of the acquisition date, WEC Energy shall divest itself of any ownership	Direct-PSC-Pilo Direct-PSC-Hubert

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		interest over 34 percent and subsequently maintain its ownership interest at or below that level. Or 3. Within 90 days of consummation of the acquisition, WEC Energy shall divest any ownership interest in excess of 34 percent.	
	Divestiture Study	WEC Energy shall, within a year of the consummation of the acquisition, fill with the Commission a full-fledged independent legal, investment banking, and policy divestiture analysis for the Commission to consider. WEC Energy will pay for the rigorous analysis. WEC Energy will submit several choices for vendors and the Commission shall choose the analysts.	Direct-PSC-Pilo
Generation	Generation Plan	The utilities shall submit a joint integrated resource plan based on EGEAS modeling that analyzes various generating alternatives similar to the individual utility filings recently filed with the Commission. This integrated resource plan shall be filed within 90 days of the date of the closing.	Direct-PSC-Detmer
Financial	Dividend Restriction	There will be three separate conditions: WEPCO/WG/WPSC may not pay dividends above those estimates deemed reasonable in this	Direct-PSC-O'Donnell Direct-PSC-Hubert

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		proceeding ² without prior Commission approval, if, after the payment of such dividends, the actual average common equity ratio, on a financial basis, would be below the test year authorized level of 51.00/49.50/51.00 percent. WEPCO/WG/WPSC shall notify the Commission if any special dividend is contemplated.	
	Dividend Prohibition	<p>There will be three separate conditions:</p> <p>An appropriate common stock equity floor, on a financial basis for WEPCO/WG/WPSC is 48.5/47/49 percent. It is just and reasonable that WEPCO/WG/WPSC apply for and receive Commission approval before it issues any common stock dividend, including the forecasted dividend, if after the payment of such dividends the actual common equity ratio, on a financial basis, would be below 48.5/47/49 percent. For purposes of calculating off-balance sheet equivalents, the test year average should be used. Furthermore any dividend declared and booked in a month where the equity falls below the floor will be presumed to have caused the equity reduction.</p>	<p>Direct-PSC-O'Donnell</p> <p>Direct-PSC-Hubert</p>

² For initial purposes, it would be the amount in the last rate case before the merger.

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
	Money Pool and Guarantees	WEPCO, WG, and WPSC may not lend money to, or guarantee the obligation of, WEC Energy nor any affiliate with which it is in the holding company system. WEPCO, WG, and WPSC may not lend money to each other, nor guarantee each other's obligation without Commission authorization of the arrangements.	Direct-PSC-O'Donnell Direct-PSC-Hubert
	Increased Capital Costs Associated with Holding Company System Actions.	Any increased capital costs determined by the Commission to be related to downgrading or other credit degradation of the holding company and/or non-utility affiliates, should be removed from the cost of capital for WEPCO, WG, and/or WPSC.	Direct-PSC-O'Donnell Direct-PSC-Hubert
	WEC debt reduction plan	WEC Energy shall file with the Commission, within 90 days of the consummation of the acquisition, a report detailing the debt held at the WEC Group holding company and Integrys sub-holding company levels, its relationship to total holding company debt and the company's plans to reduce the debt. WEC Energy shall file with the Commission updated reports every 90 days until the debt at the holding companies declines to 15 percent of total debt.	Direct-PSC-O'Donnell Direct-PSC-Hubert
Rates	Levelization of WEPCO and WPSC Rates	For [5 to 10] years from the consummation of the acquisition, before filing for approval of any legal merger of utilities or "levelization" of rates between utilities, WEC Energy shall work with Commission staff and other affected parties to	Application page 12 Direct-PSC-Hubert

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		develop a proposal that is acceptable to the parties.	
Reopener/Favorite Nation	Reopen to review impact of merger conditions from other jurisdictions.	Consummation of the acquisition shall be conditioned upon a Commission review of acquisition conditions, from all other jurisdictions having approval authority relating to various aspects of the acquisition, to determine whether further Commission conditions are subsequently required. The acquisition shall not be consummated until the earlier of 1) a Commission determination whether additional conditions are warranted, or 2) 30 days after the last jurisdiction approval is granted, in the event no Commission instigation of a review is begun within 30 days. Regardless of whether a Commission review is performed, the cost of any acquisition condition from another jurisdiction subsequently found to have an adverse cost impact on Wisconsin customers, shall be absorbed by WEC Energy without recourse to, or reimbursement by, WEPCO, WPSC, or WG.	Direct-PSC-Hubert
Affiliated Interest	Affiliated Interest Agreements	WEPCO, WG and WPSC shall file new affiliated interest agreements for new qualifying relationships and for existing agreements that will have changes to names or services after the merger. This includes but is not limited to inter-company guarantees and lending arrangements,	Direct-PSC-Bartels

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		information sharing, technology and potentially gas portfolios.	
Service Company	Jurisdiction	The Commission shall as a condition of acquisition approval take continuing jurisdiction over the service company structure.	Direct-PSC-Bartels
	Independent Audit	An independent audit of the service company and its transaction shall be performed within two years after closing, and thereafter every three years. The Commission would select the auditor and have full control over the audit work (scope, supervision, etc.) with the audit product being a Commission product. WEC Energy will be required to provide the Commission a list of all external audit firms the holding company system has contracts with, and would be billed for the audit cost.	Direct-PSC-Bartels
	Service Limitations	The service company shall be limited to performing services where there are efficiencies and economies of scale that could not be achieved if the services were not performed by the service company.	Direct-PSC-Bartels
	Change in Allocations to Wisconsin Operating Companies	If, in the future, WEC Energy and/or any of its subsidiaries are down-sized in any significant way, the absolute cost allocation to WEPCO, WG, and WPSC shall not increase unless the utilities demonstrate that the cost allocation is just and reasonable.	Direct-PSC-Bartels

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
	Performance of Services	<p>In its performance of services, the service company:</p> <p>(a) shall follow applicable federal and state regulation, including codes and standards of conduct;</p> <p>(b) shall not give one or more entities in the corporate structure a competitive advantage in relevant markets;</p> <p>(c) shall not subsidize WEPCO, WG and/or WPSC or cause WEPCO, WG and/or WPSC to subsidize an affiliate; and</p> <p>(d) may include a return on its net assets at a rate no higher than the prevailing weighted cost of capital for WEPCO, WG and/or WPSC.</p>	Direct-PSC-Bartels
	Third-Party Services	<p>The service company may not provide services to companies that are not part of the holding company system without the Commission's approval. The service company may temporarily provide transition services to an entity that is transferred to a third party. The service company shall apply any earnings as a deduction to the amounts reimbursable by its associated affiliates.</p>	Direct-PSC-Bartels
	Effectiveness of Affiliated Agreements	<p>The parent holding company or its subsidiaries shall not elect to have the FERC review pursuant to Section 1275 of EPACT 2005, 42 U.S.C. § 16462, the allocation of costs for goods and services provided by the service company,</p>	Direct-PSC-Bartels

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		until the Commission has reviewed and taken action on the affiliated interest transactions and agreements associated with the service company of amendments thereto. If the Commission has not completed its review and approval within a reasonable time after the Commission determined an amendment to the service company agreement is complete, the entities may seek such FERC review after giving the Commission 60 days' prior written notice.	
	Access to Books and Records	The Commission shall have full access to the books and records of the service company as provided in Wis. Stat. §§ 196.52 and 196.795(5).	Direct-PSC-Bartels
Holding Company	Applicable Requirements	WEC Energy shall be subject to all applicable requirements of Wis. Stat. § 196.795 and to all of the conditions and requirements in any Commission order related to WEC and Integrys, including but not limited to the holding company formation orders and relevant merger orders.	Direct-PSC-Bartels
	Books and Records	All books and records of all entities in the corporate structure shall be readily available for Commission staff review in a reasonable manner, subject to approval by the Commission.	Direct-PSC-Bartels
	Notice of Filings	The Commission shall receive prompt notice of any filing by any of the holding company or its	Direct-PSC-Bartels

Proposed Acquisition Conditions

Category	Condition	Proposed Language	Reference
		subsidiaries with other state commissions and FERC that is relevant to the Commission's authority and obligations.	

LJH:DL: 00953490

Wisconsin Energy to acquire IntegrYS Energy Group for \$9.1 billion in cash, stock and assumed debt - creating a leading Midwest electric and gas utility

- Larger, more diverse regulated utility company with the financial strength and technical depth to meet customers' future energy needs; creates 8th largest natural gas distribution company in America
- Companies reiterate commitment to IntegrYS' 5-year plan to invest up to \$3.5 billion in infrastructure and operational initiatives to maintain high levels of reliability and improve customer service
- Combined company will have majority ownership of American Transmission Company, LLC
- IntegrYS shareholders to receive a 17.3 percent premium to IntegrYS' closing price on June 20, 2014, and a 22.8 percent premium to the volume-weighted average share price over the past 30 trading days
- IntegrYS to divest IntegrYS Energy Services
- Positions Wisconsin Energy to deliver enhanced earnings growth; accretive to Wisconsin Energy's earnings per share in first full calendar year after closing

MILWAUKEE and CHICAGO – June 23, 2014 – Wisconsin Energy Corp. (NYSE: WEC) and IntegrYS Energy Group Inc. (NYSE: TEG) today announced that they have entered into a definitive agreement under which Wisconsin Energy will acquire IntegrYS in a transaction valued at \$9.1 billion. Upon completion of the transaction, the combined company will be named WEC Energy Group, Inc.

The combination of Wisconsin Energy and IntegrYS brings together two strong and well-regarded utility operators with complementary geographic footprints to create a larger, more diverse Midwest electric and natural gas delivery company with the operational expertise, scale and financial resources to meet the region's future energy needs.

The combined entity is projected to have a regulated rate base of \$16.8 billion in 2015, serve more than 4.3 million total gas and electric customers across Wisconsin, Illinois, Michigan and Minnesota, and operate nearly 71,000 miles of electric distribution lines and more than 44,000 miles of gas transmission and distribution lines. The combination brings together Wisconsin Energy's top-performing electric and gas utility – We Energies – and IntegrYS' strong electric and gas utilities – Wisconsin Public Service, Peoples Gas, North Shore Gas, Minnesota Energy Resources and Michigan Gas Utilities.

In addition to expanding and diversifying Wisconsin Energy's regulated holdings into other large Midwestern states, the combined company will hold a 60 percent stake in American Transmission Co.

Gale Klappa, chairman and CEO of Wisconsin Energy said, "We believe this combination provides a unique opportunity to create the premier regulated utility system in the Midwest, with superior service and competitive pricing for years to come. The operational and financial benefits to all of our stakeholders – from the customers and communities we serve, to the people we employ, to the shareholders who count on us to create value – are clear, achievable and compelling."

He continued, "We have been consistent in our commitment to undertake acquisitions or combinations only if we believe they will be accretive to earnings per share in the first calendar year after closing, be largely credit neutral and produce a growth rate at least equal to Wisconsin Energy's stand-alone growth rate. This combination meets or exceeds those criteria on all counts."

Charlie Schrock, chairman and CEO of IntegrYS commented, "Wisconsin Energy is consistently ranked as one of the best companies in the nation for reliability and customer satisfaction. With compatible operational philosophies and Wisconsin Energy's demonstrated commitment to reliability, customer satisfaction, safety and environmental stewardship, Wisconsin Energy is a great partner for IntegrYS. Our shareholders will receive an attractive premium for their investment and will also benefit from the opportunity to participate in the upside of the combination, including future value creation and a growing dividend program. Wisconsin Energy is committed to the accelerated investment we're making in our territories - investment that will help build on our strong track record of quality. As a larger combined company committed to growth, we believe the combination will also offer more diverse opportunities for employees."

Leadership and headquarters

Upon completion of the transaction, Klappa will become chairman and CEO of the combined company. Schrock will remain in his current roles with IntegrYS until the closing of the transaction, when he will retire. The other senior leadership roles in the combined company will be filled by current senior officers of Wisconsin Energy.

WEC Energy Group will be headquartered in metropolitan Milwaukee with operating headquarters in Chicago, Green Bay and Milwaukee. The new company will honor all existing labor agreements and maintain historic levels of community involvement and charitable contributions.

Ex.-PSC-Hubert-1
Docket 9400-YO-100
Witness: Lois Hubert
January 14, 2015
Schedule 2
Page 2 of 4

Transaction terms and financial profile

Under the terms of the transaction, which has been unanimously approved by the boards of directors of both companies, Integrys shareholders will receive common stock at a fixed exchange ratio of 1.128 Wisconsin Energy shares plus \$18.58 in cash per Integrys share.

Total consideration is valued at \$71.47 per Integrys share, with a consideration mix of 74 percent stock and 26 percent cash. This represents a 17.3 percent premium to Integrys' closing price on June 20, 2014 and a 22.8 percent premium to the volume-weighted average share price over the past 30 trading days ending June 20, 2014. Upon closing of the transaction, Integrys shareholders will own approximately 28 percent of the combined company.

The proposed dividend policy of the combined company will be designed to initially keep Integrys' shareholders neutral after taking into consideration both the stock and cash they received.

In the period before closing, Wisconsin Energy plans to continue its current dividend policy, which calls for a 7-8 percent annual increase in the dividend. "At closing, we would expect a further dividend increase for the Wisconsin Energy shareholders to reflect the dividend policy of the combined company," Klappa said. "In future years, the projected payout target for the combined company will be 65-70 percent of earnings," he added. The dividend policy of the combined company is expected to be accretive to all shareholders in future years.

Also, Integrys announced that it is in the late stages of a competitive process to divest Integrys Energy Services, its non-regulated marketing subsidiary. In January 2014, it also announced an agreement to sell Upper Peninsula Power Company to Balfour Beatty Infrastructure Partners.

"As part of our ongoing assessment of Integrys' portfolio of businesses, we previously determined it was appropriate to divest Integrys Energy Services' retail electric and natural gas business and began that process earlier this year," said Schrock. "The process is moving forward as we expected and we anticipate completing it soon."

Approvals and timing

The transaction is subject to approvals from the shareholders of both companies, the Federal Energy Regulatory Commission, Federal Communications Commission, Public Service Commission of Wisconsin, Illinois Commerce Commission, Michigan Public Service Commission and the Minnesota Public Utilities Commission. The transaction also is subject to the notification and clearance and reporting requirements under the Hart-Scott-Rodino Act and other customary closing conditions.

The companies anticipate closing in the summer of 2015.

Advisors

Barclays is serving as the sole financial advisor and Skadden, Arps, Slate, Meagher & Flom LLP is serving as legal counsel to Wisconsin Energy. Lazard is acting as sole financial advisor to Integrys, and Cravath, Swaine & Moore LLP and Foley & Lardner LLP are providing legal counsel.

Conference call information

Wisconsin Energy and Integrys will host a conference call with the financial community today, June 23, 2014, at 10:30 a.m. Central time to discuss this morning's announcement.

To listen to the presentation by telephone

Inside the United States: Call toll free 866-439-9410 up to 15 minutes before 10:30 a.m. Central time on Monday, June 23.

International Callers: Call 706-643-5658 up to 15 minutes before 10:30 a.m. Central time on Monday, June 23. A replay of the audio portion of the presentation will be available through July 14 at 404-537-3406. The conference ID for both the live call and the replay is **65137108**.

The conference call will be webcast live over Wisconsin Energy's website at wisconsinenergy.com and over Integrys' website at integrysgroup.com.

Replay

A replay of the audio portion of the presentation will be available through July 14 at 855-859-2056. The conference ID for both the live call and the replay is **65137108**. A replay will be available on both companies' websites and by phone beginning at 4 p.m. Central time.

About Wisconsin Energy

Wisconsin Energy (NYSE: WEC), based in Milwaukee, is one of the nation's premier energy companies, serving more than 1.1 million electric customers in Wisconsin and Michigan's Upper Peninsula and 1.1 million natural gas customers in Wisconsin. The company's principal utility is We Energies. The company's other major subsidiary, We Power, designs, builds and owns electric generating plants.

Wisconsin Energy (wisconsinenergy.com), a component of the S&P 500, has nearly \$15 billion of assets, 4,300 employees and approximately 40,000 stockholders of record.

It also has an approximate 26 percent equity ownership interest in American Transmission Co. (a federally regulated electric transmission company).

About Integrys Energy Group

Integrys Energy Group Inc. is a diversified energy holding company with regulated natural gas and electric utility operations (serving customers in Illinois, Michigan, Minnesota and Wisconsin), an approximate 34 percent equity ownership interest in American Transmission Co. (a federally regulated electric transmission company) and non-regulated energy operations. For more information, visit integrysgroup.com.

Cautionary Statements Regarding Forward-Looking Information

This press release contains certain forward-looking statements with respect to the financial condition, results of operations and business of Wisconsin Energy and Integrys and the combined businesses of Integrys and Wisconsin Energy and certain plans and objectives of Wisconsin Energy and Integrys with respect thereto, including the expected benefits of the proposed merger. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aim", "continue", "will", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. There are several factors which could cause actual plans and results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, the expected closing date of the proposed merger; the possibility that the expected synergies and value creation from the proposed merger will not be realized, or will not be realized within the expected time period; the risk that the businesses of Wisconsin Energy and Integrys will not be integrated successfully; disruption from the proposed merger making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters; the possibility that the proposed merger does not close, including, but not limited to, due to the failure to satisfy the closing conditions; the risk that financing for the proposed merger may not be available on favorable terms; and the risk that Integrys may not complete the sale of Integrys Energy Services. These forward-looking statements are based on numerous assumptions and assessments made by Wisconsin Energy and/or Integrys in light of their experience and perception of historical trends, current conditions, business strategies, operating environment, future developments and other factors that each party believes appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this press release could cause actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this press release are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as the date of this press release. Neither Wisconsin Energy nor Integrys assumes any obligation to update the information contained in this press release (whether as a result of new information, future events or otherwise), except as required by applicable law. A further list and description of risks and uncertainties at Wisconsin Energy can be found in Wisconsin Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and in its reports filed on Form 10-Q and Form 8-K. A further list and description of risks and uncertainties at Integrys can be found in Integrys' Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and in its reports filed on Form 10-Q and Form 8-K.

Additional Information and Where to Find It

The proposed merger involving Wisconsin Energy and Integrys will be submitted to the respective shareholders of Wisconsin Energy and Integrys for their consideration. In connection with the proposed merger, Wisconsin Energy will prepare a registration statement on Form S-4 that will include a joint proxy statement/prospectus for the shareholders of Wisconsin Energy and Integrys to be filed with the Securities and Exchange Commission (the "SEC"), and each of Wisconsin Energy and Integrys will mail the joint proxy statement/prospectus to their respective shareholders and file other documents regarding the proposed merger with the SEC.

Wisconsin Energy and Integrys urge investors and shareholders to read the joint proxy statement/prospectus when it becomes available, as well as other documents filed with the SEC, because they will contain important information. Investors and security holders will be able to receive the registration statement containing the joint proxy statement/prospectus and other documents free of charge at the SEC's web site, <http://www.sec.gov>, from Wisconsin Energy at Wisconsin Energy Corporation, Corporate Secretary, 231 W. Michigan St., P.O. Box 1331, Milwaukee, WI 53201, or from Integrys at Integrys Energy Group, Inc., Investor Relations, 200 East Randolph Street, 23rd Floor, Chicago, IL 60601.

Participants in Solicitation

This press release is not a solicitation of a proxy from any investor or shareholder. Wisconsin Energy, Integrys and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the respective shareholders of Wisconsin Energy and Integrys in favor of the proposed merger. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective shareholders of Wisconsin Energy and Integrys in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about Wisconsin Energy's executive officers and directors in its definitive proxy statement for its 2014 Annual Meeting of Stockholders, which was filed with the SEC on March 21,

2014. You can find more information about Integrys' executive officers and directors in its definitive proxy statement for its 2014 Annual Meeting of Shareholders, which was filed with the SEC on March 27, 2014. You can obtain free copies of these documents from Wisconsin Energy and Integrys using the contact information above.

Non-solicitation

This press release shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Contacts

Wisconsin Energy Media Contact

Rick White /
Barry McNulty
414-221-4444

Wisconsin Energy Investor Contact

Colleen Henderson, CFA
414-221-2592

Integrys Media Contact

Kathy Hartman
800-977-2250

Integrys Investor Contact

Steven P. Eschbach, CFA
312-228-5408

#

© 2014 Wisconsin Energy Corporation

Ex.-PSC-Hubert-1
Docket 9400-YO-100
Witness: Lois Hubert
January 14, 2015
Schedule 2
Page 4 of 4

1 **I. INTRODUCTION AND BACKGROUND**

2 **A. Witness Identification**

3 **Q. Please state your name and business address.**

4 A. My name is Scott J. Lauber. My business address is Wisconsin Energy Corporation, 231
5 West Michigan Street, Milwaukee, Wisconsin 53203.

6 **Q. Are you the same Scott J. Lauber who submitted direct testimony on behalf of**
7 **Wisconsin Energy Corporation (“Wisconsin Energy” or “WEC”) in this**
8 **proceeding?**

9 A. Yes.

10 **B. Purpose of Supplemental Direct Testimony**

11 **Q. What is the purpose of your supplemental direct testimony in this proceeding?**

12 A. The purpose of my supplemental direct testimony is to provide additional information on
13 topics identified by the Illinois Commerce Commission (“ICC” or the “Commission”)
14 Staff (“Staff”). These topics were raised in response to comments made by
15 Commissioners during the Commission’s September 3, 2014 Special Open Meeting.
16 Specifically, the Commissioners sought additional information in this proceeding
17 concerning the impacts of the financial strength and capital structure of Wisconsin
18 Energy on The Peoples Gas Light and Coke Company (“Peoples Gas” or “PGL”) and
19 North Shore Gas Company (“North Shore” or “NSG”) (collectively, the “Gas
20 Companies”). The topics Staff identified are:

- 21 1. What capital structure and credit ratings will WEC target for WEC, PGL,
22 and NSG post-merger?
- 23 2. Does WEC intend to register PGL and NSG with the Securities and
24 Exchange Commission (“SEC”)? If not, why not?

A. Non-utility operations will represent a very low percentage of WEC Energy Group's revenue (1.46%), EBIT (0.09%), assets (1.21%) and operating cash flow (0.47%), and proportionally less than currently exists within the Integrys holding company system.

III. HOLDING COMPANY DEBT

Q. Please provide the current, pre-merger amount of debt at the Wisconsin Energy level.

A. As of December 31, 2013, the Wisconsin Energy holding company had \$817 million of debt outstanding.

Q. What will be the amount of debt at the WEC Energy Group holding company level after the merger?

A. As of December 31, 2015, the WEC Energy Group holding company is projected to have \$2,314 million of debt outstanding.

Q. What is the current, pre-merger proportion of consolidated debt at the Wisconsin Energy holding company level?

A. Wisconsin Energy Corporation's holding company debt outstanding as of December 31, 2013 is approximately 15.6% of the consolidated debt outstanding within the Wisconsin Energy holding company system.

Q. What will be the proportion of debt at the WEC Energy Group holding company level after the merger?

A. WEC Energy Group, Inc.'s holding company debt outstanding as of December 31, 2015 is projected to be 20.8% of the consolidated debt outstanding within the WEC Energy Group holding company system.

125 **Q. What will be the combined amount of debt at the holding company level for both**
126 **holding companies – i.e., at the WEC Energy Group holding company level and the**
127 **Integrys holding company level combined – after the merger?**

128 A. As of December 31, 2015, the combination of debt outstanding at the holding company
129 level for both holding companies is projected to be \$3,485 million.

130 **Q. What will be the proportion of debt at the holding company level for both holding**
131 **companies – the WEC Energy Group holding company level and the Integrys**
132 **holding company level combined – after the merger?**

133 A. The total of holding company debt outstanding as of December 31, 2015 for both holding
134 companies is projected to be 31.3% of the consolidated debt outstanding within the WEC
135 Energy Group holding company system.

136 **Q. Do the Joint Applicants propose any “ring-fencing” provisions in order to insulate**
137 **Peoples Gas and North Shore from Wisconsin Energy corporate debt and non-**
138 **utility operations? If so, please describe what those proposals are.**

139 A. The Joint Applicants are not proposing any new provisions of this nature. The
140 Transaction will reduce such exposure because WEC Energy Group’s holding company
141 debt and non-utility operations will be proportionally less than they currently are within
142 the Integrys holding company system.

V. **CAPITAL STRUCTURE AND COSTS OF CAPITAL**

Q. What are the post-merger capital structures targeted for WEC Energy Group, Peoples Gas, and North Shore?

A. The post-merger capital structures targeted for Peoples Gas and North Shore are the same as those presented in the context of their currently-pending rate cases in ICC Docket Nos. 14-0224/14-0225 (cons.):

	North Shore	Peoples Gas
Long-Term Debt	38.94%	46.51%
Short-Term Debt	10.58%	3.16%
Common Equity	50.48%	50.33%

For WEC Energy Group, the projected post-merger capital structure is a debt-to-capital ratio of approximately 56%.

Q. What are the post-merger credit ratings targeted for WEC Energy Group, Peoples Gas, and North Shore?

A. The credit reporting agencies Standard & Poor's Ratings Services ("Standard & Poor's"), Moody's Investor Service ("Moody's") and Fitch Ratings ("Fitch") each issued updated reports after the merger was announced. Copies of these reports are attached to my testimony as Joint Applicants Exhibits 5.1 (Standard & Poor's June 23, 2014 Research Update), 5.2 (Moody's June 23, 2014 Rating Action), and 5.3 (Fitch June 24, 2014 Report).

The post-merger announcement reports of Standard & Poor's and Moody's affirmed the current ratings of Wisconsin Energy but changed their outlook for the

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
Dr. David C. Boyd	Commissioner
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
Betsy Wergin	Commissioner

In The Matter of the Report of Minnesota Energy Resources Corporation on the Merger of Wisconsin Energy Corporation and Integrys Energy Group, Inc.

DOCKET NO. G011/PA-14-664

**COMMENTS OF THE OFFICE OF THE
ATTORNEY GENERAL - ANTITRUST
AND UTILITIES DIVISION**

The Office of the Attorney General - Antitrust and Utilities Division (“OAG”) submits the following Comments in regards to the Report of Minnesota Energy Resources Corporation (“MERC”) to inform the Commission and other parties about a proposed transaction in which Integrys Energy Group, Inc. (“Integrys”), MERC’s corporate parent, will merge with and into Wisconsin Energy Corporation (“WEC”). The OAG recommends that the Commission exercise its jurisdiction to review the proposed transaction.

I. BACKGROUND

In its Petition, MERC explained that the transaction is styled as a merger in which Wisconsin Energy Corporation will purchase 100% of Integrys common stock from Integrys’s current shareholders.¹ In return, Integrys shareholders will receive 1.128 Wisconsin Energy Corporation shares plus \$18.58 in cash for each Integrys share.² This cash payment is a

¹ Petition, *In The Matter of the Report of Minnesota Energy Resources Corporation on the Merger of Wisconsin Energy Corporation and Integrys Energy Group, Inc.*, Docket No. 14-664, at 7 (Aug. 6, 2014) (hereinafter “Petition”).

² *Id.*

regulatory proceedings currently underway in other jurisdictions, it is likely that Integrys and WEC will reach agreements or make concessions elsewhere. The Commission should exercise its jurisdiction in this matter to ensure that Minnesota ratepayers have similar protections and gain equivalent benefits, and to ensure that any concessions made to ratepayers in other jurisdictions are not recouped from consumers in Minnesota. For these reasons, the Commission should thoroughly review the proposed merger to ensure that it is consistent with the public interest and consider several conditions to protect the interests of ratepayers.

C. THE COMMISSION SHOULD WAIT TO RULE ON THE MERGER UNTIL THE REGULATORY PROCESS IN OTHER STATES IS COMPLETE.

In addition to this matter, Integrys and WEC have filed requests for regulatory approval in several other jurisdictions. Integrys and WEC have requested state regulatory approval in Michigan,⁴⁶ Wisconsin,⁴⁷ and Illinois.⁴⁸ Integrys and WEC have also requested regulatory approval from FERC,⁴⁹ and, presumably, provided notification to the United States Department of Justice and the Federal Trade Commission to allow review of the merger for antitrust concerns.⁵⁰

⁴⁶ *In the Matter of the Joint Application of Wisconsin Energy Corporation and Integrys Energy Groups, Inc. for Approval, Pursuant to MCL 460.6q, for the Transfer of Control of Wisconsin Public Service Corporation and Michigan Gas Utilities Corporation; and the Joint Request of Wisconsin Public Service Corporation, Michigan Gas Utilities Corporation and Wisconsin Electric Power Company for Waivers From, or Declarations Regarding the Applicability of, the Code of Conduct and Affiliate Transaction Guidelines and Related Approvals*, Michigan Public Service Commission Case No. U-17682.

⁴⁷ *Application of Wisconsin Energy Corporation for Approval to Acquire the Outstanding Common Stock of Integrys Energy Groups, Inc.*, Public Service Commission of Wisconsin Docket No. 9400-YO-100.

⁴⁸ *In the Matter of the Application pursuant to Section 7-204 of the Public Utilities Act for authority to engage in a Reorganization, to enter into agreements with affiliated interests pursuant to Section 7-101, and for such other approvals as may be required under the Public Utilities Act to effectuate the Reorganization*, Illinois Commerce Commission Docket No. 14-0496.

⁴⁹ *Joint Application for Authorization of Disposition of Jurisdictional Assets and Merger under FPA Section 203 of Wisconsin Energy Corporation and Integrys Energy Groups, Inc.*, FERC Docket No. EC14-126.

⁵⁰ Given that the transaction's size, it would appear to fall within the Notification Requirements of the Hart-Scott-Rodino Antitrust Improvements Act. 15 U.S.C. § 18a; *see also* 16 C.F.R. Parts 801-803.

this time. For that reason, a limited delay in this matter is appropriate to allow the regulatory process in other jurisdictions to be further developed. Given that Integrys and WEC do not intend to close on the transaction until the summer of 2015, a limited delay would likely have no impact on the closing date. Accordingly, the Commission should refrain from making a final decision in this docket while regulatory matters in other jurisdictions proceed. The Commission should issue an order requiring that the parties submit relevant analysis and require updated comments based on the proceedings in other jurisdictions.

D. THE COMMISSION SHOULD ENSURE AT MINIMUM THAT MERC'S PROMISES ARE BINDING.

If the Commission decides to act now, prior to receiving additional important information from the proceedings in other states, at minimum the Commission should make clear to MERC, Integrys, and WEC that the promises contained in the Petition are binding conditions of its approval. Among other promises made in the Petition, MERC guaranteed that WEC would never recover any costs from the transaction from Minnesota ratepayers and that the transaction would not result in reduced service quality or increased rates.⁵⁷ MERC also promised in a meeting with the OAG that there would be no job loss in Minnesota. In the Petition, however, the Petitioners indicated that they believe the Commission has no jurisdiction over the merger. Given the position of the applicants on the Commission's authority, the OAG is concerned that parties may view the guarantees made in the Petition as temporary platitudes that can be retracted at their convenience, and without consequence. In order to make sure that does not happen, the Commission should make clear that all the promises made in the Petition are binding on MERC, Integrys, and WEC, and ensure that the parties must deliver on those guarantees.

⁵⁷ Petition, at 10, 17.

American Transmission Company LLC
Schedule A to Operating Agreement

Member	October 31, 2014			
	Contribution Value	Number of Units	Percentage Interest	Market Value Estimate
1 Adams-Columbia Electric Cooperative	\$ 6,688,200	540,537	0.62%	\$ 23,408,700
2 Alger Delta Cooperative Electric Association	\$ 716,321	58,080	0.07%	\$ 2,507,124
3 City of Algoma	\$ 330,716	26,725	0.03%	\$ 1,157,506
4 WPL Transco LLC	\$ 168,192,904	14,343,467	16.38%	\$ 588,675,164
5 Badger Power Marketing Authority	\$ 2,531,599	207,481	0.24%	\$ 8,860,597
6 Central Wisconsin Electric Cooperative	\$ 1,478,315	119,475	0.14%	\$ 5,174,103
7 Cloverland Electric Cooperative	\$ 6,430,204	535,073	0.61%	\$ 22,505,714
8 City of Columbus	\$ 188,034	14,169	0.02%	\$ 658,119
9 ATC Holding LLC	\$ 32,802,276	2,803,135	3.20%	\$ 114,807,966
10 City of Kaukauna	\$ 1,868,168	150,973	0.17%	\$ 6,538,588
11 Manitowoc Public Utilities	\$ 6,920,163	564,340	0.64%	\$ 24,220,571
Marshfield Electric and Water Department of the City of				
12 Marshfield	\$ 6,152,006	497,203	0.57%	\$ 21,532,021
City of Menasha				\$ -
13 MGE Transco Investment LLC	\$ 35,821,641	3,109,540	3.55%	\$ 125,375,744
14 City of Oconto Falls	\$ 440,016	35,559	0.04%	\$ 1,540,056
15 Ontonagon County Rural Electrification Association	\$ 331,839	26,906	0.03%	\$ 1,161,437
16 City of Plymouth	\$ 3,307,544	267,312	0.31%	\$ 11,576,404
17 Rainy River Energy Corporation - Wisconsin	\$ 89,135,540	6,801,656	7.77%	\$ 311,974,390
18 Reedsburg Utility Commission	\$ 1,544,050	126,445	0.14%	\$ 5,404,175
19 Rock Energy Cooperative	\$ 1,265,758	102,295	0.12%	\$ 4,430,153
20 City of Sheboygan Falls	\$ 502,774	40,786	0.05%	\$ 1,759,709
21 Stoughton Utilities	\$ 250,473	18,846	0.02%	\$ 876,656
22 City of Sturgen Bay	\$ 1,273,951	106,680	0.12%	\$ 4,458,829
23 City of Sun Prairie	\$ 5,743,453	464,154	0.53%	\$ 20,102,086
24 Upper Peninsula Public Power Agency	\$ 5,071,303	405,101	0.46%	\$ 17,749,561
25 Wisconsin Electric Power Company	\$ 236,423,788	20,176,501	23.04%	\$ 827,483,258
26 City of Wisconsin Rapids	\$ 4,102,907	331,589	0.38%	\$ 14,360,175
27 WPPI Energy	\$ 72,434,264	5,855,649	6.69%	\$ 253,519,924
28 WPS Investments LLC	\$ 373,942,381	29,841,933	34.07%	\$ 1,308,798,334
29 ATC Management Inc.	\$ 164,430	16,451	0.02%	\$ 575,505
	<u>\$ 1,066,055,018</u>	<u>87,588,061</u>	<u>100.00%</u>	<u>\$ 3,731,192,563</u>
IEG Related	\$ 373,942,381		34.07%	\$ 1,308,798,334
WEC related	<u>\$ 269,226,064</u>		<u>26.24%</u>	<u>\$ 942,291,224</u>
Total	\$ 643,168,445		60.31%	\$ 2,251,089,558
WPL Transco LLC	\$ 168,192,904		16.38%	\$ 588,675,164
Rainy River Energy Corporation - Wisconsin	\$ 89,135,540		7.77%	\$ 311,974,390
WPPI Energy	\$ 72,434,264		6.69%	\$ 253,519,924
MGE Transco Investment LLC	<u>\$ 35,821,641</u>		<u>3.55%</u>	<u>\$ 125,375,744</u>
Total	\$ 365,584,349		34.38%	\$ 1,279,545,222
All Others	\$ 57,302,224		5.32%	\$ 200,557,784
Total	\$ 1,066,055,018		100.00%	\$ 3,731,192,563